SHELF CONFIDENCE

[Intro] Hello, and welcome to Shelf Confidence, a podcast brought to you by the Pennsylvania Food Merchants Association that focuses on trends and innovation in the food and beverage industry. I'm Larissa Newton, your host, and today I have the pleasure of welcoming Sally Robinson of Upshop to talk a bit about the Food Safety Modernization Act (or FSMA) and how retailers can prepare for enforcement deadlines.

Upshop has been pioneering store operations technology for over 30 years; delivering SaaS-based solutions which offer a simplified, smarter, more connected solution to retail store associates. They leveraged the technology of leading products FreshIQ®, ShopperKit, and Date Check Pro to synchronize one platform, providing retailers the visibility needed to increase sales, cut waste, and streamline labor efficiencies. Over 150 retail chain accounts trust Upshop's software in more than 30,000 stores, nine countries and three continents.

Sally Robinson serves as the vice president of strategic initiatives at Upshop, where she plays a pivotal role in driving the company's strategic vision and initiatives.

Robinson's previous roles at Safeway and Albertsons involved leading remote teams and overseeing data governance initiatives across supply chain and procurement functions for nearly 20 years. She played a key role in implementing GDSN-based solutions for item data transfer and collaborated with third-party providers to align data and reporting standards.

Throughout her career, Sally has demonstrated a strong commitment to driving results and delivering value to her organizations. She led cross-functional teams, developed systems for aligning data quality and analytics, and implemented programs to drive sales and compliance. Her efforts have resulted in significant cost savings, improved operational efficiency, and enhanced customer experiences.

[Larissa] Hi, Sally. Thank you so much for joining us.

[Sally] Hi, Larissa. Thanks for having me with you today.

[Larissa] So as we near the FSMA regulation enforcement dates, we're witnessing retailers set up taskforce teams to evaluate critical components that need massive rehaul in order to comply with the regulation. Which brings us to the question: Is complying with FSMA 204 really as daunting as it seems? What does it really entail?

[Sally] That's a great question. The Food Safety Modernization Act, which is known as FSMA, is a set of regulations that were implemented to combat against foodborne illness, really focusing on preventative measures throughout the supply chain, really with the end goal of helping to make sure our food supply is safe.

For retailers, this has really brought new rules and regulations to the forefront. The Food Safety Modernization Act itself really focuses on, I would say, seven foundational rules that cross various areas, including produce safety, verification and certification programs, transportation requirements and preventative controls within food facilities.

More recently, the FSMA 204 rule, which is also known as the FDA Food Traceability Rule, is the newest addition, and it requires companies that manufacture or process, pack or hold foods contained on the Food Traceability List, or commonly known as the FTL, to maintain records containing key data elements — which they call KDEs — associated to critical tracking events — which they call CTEs — with the key focal point being around lot level tracking.

That's really what we're going after here, is the ability to track down to that lot level from a record keeping component, and supply chain understanding. So this FSMA 204 really impacts various areas of the supply chain. And for retailers, it will impact various cross-functional teams from supply chain distribution, including food safety, technology operations, just to name a few. So putting FSMA together, you've got to know where it's coming from, how it's being handled, stored, transformed, potentially, and transported. And it's helping to ensure safety, ultimately for the customers. So FSMA 204, in the event of a foodborne illness event or recall, really drives the need to provide key data elements associated to the critical tracking events within the retailer processes within 24 to 48 hours.

So if you step back and you can imagine how complex it would be to locate, as an example, specific lot codes around leafy greens or spinach across the various CTEs, spanning through varying retail locations or stores, distribution centers or centralized production environments, which is really what our retailer community has to deal with in terms of thinking through FSMA 204.

When I think about it, high level, there's really costs associated with storage and retention of data. There's systems that need to talk and integrate with each other. All of this can really put an added strain on the retailer in terms of resources to advance food safety programs overall. So in a nutshell, those are the reasons why FSMA compliance for retailers is a large

effort. It requires tight control and visibility across various areas of existing retailer processes — receiving, shipping and transformation.

The actual compliance date is fast approaching. It's January 20, 2026. But when you really think about that in terms of actual working days, it's 398. So we really like to think and focus on, you know, the timeline for compliance. Retailers are actually at the back of that equation, so it really does put an added component of both time and resourcing against complying with FSMA 204.

[Larissa] So can you talk to us a little about FTLs and what's on those lists? How should retailers think about items on those lists? Given that those items are also subject to change, how should retailers evaluate software solution providers in lieu of future proofing for future regulation changes?

[Sally] Yeah, that's great. The FTL, or food traceability list as the FDA calls it, is really a key part of the FSMA 204 scope, designating the scope of the items and focusing on improving food traceability to quickly identify and address food safety issues. Items actually on that FTL are categorized by the FDA as high risk and are currently most prevalent in foodborne illness events. And that's really where that list came from. So the FDA, put together that list based on, you know, those foods that have been historically most prevalent in foodborne illness events.

The FDA did come forth and state that they would only adjust the FTL every five years, with two years to comply once new foods were approved. So really, just the mere fact of the timeline that they have put around adding or adjusting that list in itself really speaks to some of the complexity in terms of tracking at this level across the supply chain.

From a retailer perspective, the FTL should really be reviewed for application within each individual retail retailer's environment. I like to give the sushi example because fresh fin fish, as an example, is on the food traceability list and is considered a high-risk food to be tracked as part of FSMA 204. When you take the same fin fish and you add rice to create sushi, it's still on that FTL. So it's important to understand the foods on the FTL, and also any that are produced from foods on the FTL and as a result become included, even though that they might not be called out specifically on the list itself. So when I think about the FTL, I think about not only the item or foods that are directly identified, but also those that become part of the FTL just through either processing or further blending of ingredients that are included on the FTL.

So decoding the FTL in itself is something that is really an exercise that you should do in conjunction with your suppliers in terms of which foods you will consider to be in scope for each retailer's response to FSMA 204.

I think also for retailers it's crucial to think beyond just ticking the boxes for compliance.

From a technology perspective, providers should offer comprehensive solutions that cover all components of the regulation, not just the immediate requirements. This means looking for providers that can adapt to future changes in the FTL, potentially key data elements and CTEs and advancement in technologies around data sharing and capture to ensure long-term compliance and efficiency.

Really, the landscape around technology available in this space will continue to evolve and change as we need to have a greater level of capture of attributes that really matter when you're exchanging data from different trading partners, supply chain partners or retailers within the space. Solutions that integrate seamlessly with existing systems and offer advanced analytics capabilities are also very valuable for FSMA 204.

By choosing future-proof technology providers, retailers can stay ahead of regulatory changes and maintain a robust food safety system. And also leveraging additional benefits that technology advancements in the space will continue to offer, and will offer, as we move forward. So, those pieces are really important when you tie that back to the food traceability list.

[Larissa] So could you elaborate a little more on some of the nuances of KDEs and CTEs when it comes to DSD receiving, shipping and transformation? What's the overall impact to retailers and c-stores who run complex commissary operations?

[Sally] Yeah, that's an interesting question for FSMA 204. I think back to a slide that was presented by the FMI Tech Council, which put an estimate on the number of key data elements that need to be tracked across all of the CTEs. So this would be across the entire supply chain. It referenced a total of 117 key data elements that must be tracked for nine critical tracking events in the supply chain.

This means when you look across the supply chain and through all the processes that impact high-risk foods — from the farm to harvesting, cooling, initial packing all the way to the retail or maybe in-store cafes in processing environments — the FDA's estimated that the food industry as a whole will need to keep close to 3 billion records per year to support FSMA 204. That's an extremely large number. It puts in context the need for technology solutions and automated compliance auditing to handle the magnitude of data that something like this and tracking at what level really is going to drive us towards.

To speak specifically around commissary and centralized production. What this really means for commissary operations is that when retailers specifically use high-risk items like tomatoes (I like to give that example) to prepare other products like fresh, ready-to-eat foods. So in the case of a tomato, if you put it in a sandwich or you add it to a salad, as an

example, it makes the key data element web even more complex, because now each new product that you build using those high-risk foods must be linked to a new traceability lot code, and requires the tracking of new KDEs for that transformation, as well as the original use of the ingredients within the recipe.

This means that retailers who use central kitchens or commissary today, or potentially one store producing from multiple stores, should be prepared to capture more data and should adopt systems that allow them to manage that data at scale within their operations. And it's something that we really think about in terms of, you know, those particular use cases that speak directly to FSMA 204 and the requirements around central production.

[Larissa] How should retailers check off basic compliance measures versus how they should futureproof themselves? Can you talk to us about why a one-size-fits-all approach does not work with FSMA 204, and why retailers need to go through a detailed assessment process and tailor the solution based on where they are already with respect to ensuring food safety?

[Sally] Yeah, I think, overall, from our perspective, we're working with retailers to understand and help them define and solve for their unique workflows.

As we go through and map out key data elements and critical tracking events as it relates to the retailer, we understand that the difference in workflows could range all the way from having, you know, some having large commissary production to others having centralized kitchens with one store supplying other stores downstream or receiving potentially from local growers for local program focuses that exist within our retail customers.

A retailer solution needs to consider, I would say, retailer workflows and and how it relates to them and take the complexity out of the processes. Data needs to be captured in as natural of a workflow as possible within solutions that already drive benefits. So as an example, for us, layering the FSMA process within our existing production planning module, recipe and DSD workflows, and not having store users do unnecessary data capture tasks in a standalone environment. This is really a critical step to go through a detailed assessment process around the retailers individual workflows. Layer the solution on top of it versus building in a vacuum. And really understand those workflows or use cases and what they specifically mean or how they live within each retailer's environment to make sure that we're solving for the right things in the right ways.

[Larissa] FSMA 204 requires retailers to provide data and act within 24 hours when it comes to recall. Which brings us to talk about training needs. What type of training does the grocer need to provide the store associates with so they are well equipped to handle and respond to recall events?

[Sally] That's a great question. Overall, the top priority is having visibility across all of the critical tracking events that exist for a retailer. So examples would include distribution centers, maybe third-party retail locations, centralized production, as examples of where those critical tracking events might need to be considered. And when you think about the critical tracking events that sit within those windows, it's really, it's the shipments, it's the receivings, it's the production or transformation. So those those can be in different ways across different retailers and so it's really important to understand those.

Having detailed data visibility through the supply chain during a recall is crucial. So the FDA requires action within 24 to 48 hours of of their request. And so centralized reporting is key for communicating to store teams to expedite removal of potentially impacted items.

Training as it relates to FSMA 204 compliance is a larger discussion. Ultimately, the FSMA 204 data being exchanged and stored should be automated, and not rely on the user to capture. It should be transparent unless it directly impacts a process or requires a specific retail capture. Many of these pieces of data are not human readable, and manual capture would be extremely challenging in our environments that we work in from a retailer perspective. So it's important to understand and consider where the true training need is, and limit the amount of impact to retail associates to minimize the overall labor impact where possible.

Training on systems that support actual recall processes is essential for both corporate and retail team members. If you incorporate training, including mock recalls, into the change management process around FSMA 204, it can help gauge and improve response times during recalls. And equipping associates with an easy-to-use application to promptly view recall requests and actions is one of the starting points to expedite removal of products from the retail locations. And this should also consider items that have been produced or transformed within the retailer.

So overall, I think, you know, training, although it's part of the conversation, we really need to also consider which parts can be done in a more automated and transparent capture, as opposed to relying on individuals to help comply with the law. And only do that in the cases where it's absolutely necessary to help with our recall processes or making sure that we're capturing those things that need to be captured behind the scenes.

[Larissa] Well, this has been so very informative, Sally. Thank you so much for sharing all of your knowledge on FSMA. It sounds like a very complex topic, and, I'm sure this is going to be a great resource for all of our members.

[Sally] Great. Thank you so much for your time, Larissa. I really appreciate it.

[Outro] If you are interested in learning more about Upshop and FSMA 204 readiness, visit

www.upshop.com/fsma204

Please stay tuned for more Shelf Confidence episodes coming this season.

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